



In the Matter of the Appeal of
ASSETS RECONSTRUCTION CORPORATION, LTD.

For Appellant: Leland S. Bower, Attorney at Law

For Respondent: Burl D. Lack, Chief Counsel;
Crawford H. Thomas, Associate
Tax Counsel

This appeal is made pursuant to Section 25667 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of Assets Reconstruction Corporation, Ltd., to a proposed assessment of additional franchise tax in the amount of \$143.60 for the income year 1945.

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'The correctness of the Franchise Tax Board's disallowance of the bad debt deduction in the amount of the accrued interest on the alleged worthless note is now conceded. With respect to the principal sum of the note, Appellant has alleged that the loss "was taken in the year 1945, upon determination by payee that said note was uncollectible.** None of the facts forming the basis of that determination has been presented to us. The claimed loss in the amount of \$304.30 is similarly unsupported.

It is well established that the burden of proof to establish a deductible loss is upon the taxpayer. Burnet v. Houston, 283 U. S. 223; Jones v. Commissioner, 103 Fed. 2d 681. Failure of proof, accordingly, leaves the taxpayer with an unenforceable claim. Burnet v. Houston, *supra*. Although it has had ample opportunity so, the Appellant has not furnished to the Franchise Tax Board or to this Board any factual information in support of the asserted deductions. Under these circumstances, the action of the Franchise Tax Board must be upheld.

O R D E R

Pursuant to the views expressed in the opinion of the Board on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to Section 25667 of the Revenue and Taxation Code that the action of the Franchise Tax Board on the protest of Assets Reconstruction Corporation, Ltd., to a proposed assessment of additional franchise tax in the amount of \$143.60 for the year 1945 be and the same is hereby sustained.

Done at Sacramento, California, this 22d day of July, 1952, by the State Board of Equalization.

J. L. Seawell, Chairman

_____, Member

Geo: R. Reilly, Member

J. H. Quinn, Member

Thomas H. Kuchel, Member

ATTEST: . Dixwell L. Pierce, Secretary